CMHC HOUSING OUTLOOK: NATIONAL EDITION

Canada Mortgage and Housing Corporation

Expect steady housing construction

Third Quarter, 2003

Overview

Housing starts:
2003: 203,200
2004: 188,200

Resales:
2003: 394,700
2004: 378,200

Housing starts: 2003 will be another solid year, however, the pace of new construction will ease over the rest of this year and in 2004 due to slower economic growth.

House prices: Strong demand and the scarcity of listings have driven prices up. Looking ahead, growth in house prices will continue to exceed overall inflation, however, as demand slows and listings increase, price pressures will ease.

Resales: Demand for housing has been strong, supported by extremely low interest rates and strong employment growth. This year and next, sales of existing homes will continue at a robust pace, albeit below levels experienced in 2002.

(Details on Page 3)

The Nation's HOT SPOTS

British Columbia: The B.C. economy will remain sluggish in 2003, nevertheless low mortgage rates, growth in full-time employment and income are why B.C. will lead the country in terms of growth in housing starts this year. (See Page 9)

Quebec: Consumer confidence, low mortgage rates and in-migration will support home building. (See Page 14)

Ontario: Low mortgage rates, employment gains and low inventories will keep residential construction strong. It is our view that SARS will have a minimal impact on the housing market. (See Page 13)

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CMHC SCHL

HOME TO CANADIANS
Canada

CMHC — HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) is home to Canadians. In everything we do, we help Canadians live in safe, secure homes.

As the Government of Canada's national housing agency, we play a major role in Canada's housing industry. CMHC develops new ways to finance home purchases. We encourage innovation in housing design and technology. Our mortgage loan insurance helps Canadians realize their dream of owning a home.

Canadians benefit from our work with all levels of government, public, private and not-for-profit partners to improve the quality, accessibility and affordability of rental housing everywhere in Canada.

CMHC assistance helps low-income and older Canadians, people with disabilities and Aboriginals live in decent, affordable homes. We create jobs for Canadians with products and services that help the housing industry export its knowledge and skills to other countries.

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The term MLS® stands for Multiple Listing Service and is a registered trademark of the Canadian Real Estate Association (CREA).

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National Housing Outlook

In Detail

Single starts have peaked

Single detached starts peaked in 2002 at levels not seen since 1989. Starts were slightly over 125,000 units, up 30.6 per cent from the previous year. Construction of new single detached homes will remain strong this year, however, a slowing economy will lead to a gradual retrenchment in the level of starts over the remainder of this year continuing into 2004. For 2003 we expect single starts to reach 119,000, down 5.1 per cent from last year and 111,900 units in 2004. Single starts will be lower across the country except in British Columbia, Saskatchewan and Quebec.

In 2002, demand for housing far exceeded the supply. A shortage of new listings on the resale market forced many homebuyers to turn to the new home market in order to fill their housing needs. The resulting strong demand for new homes led to trade labour shortages in some centres, increasing the time required to complete the construction of a new home. Looking ahead, the market will move toward a better balance between the number of people looking to buy a home and new listings of existing homes for sale. Therefore, there will be less spillover of buyers into the new home market.

Multiple starts will gain share

Since 1998, apartment starts have been the fastest growing segment of the multiple dwelling market. Most of the apartment units started were condominiums. In 2002, there was a significant pick-up in starts in owner-occupied semi-detached and row markets, reflecting increased demand by homebuyers for relatively more affordable new home types. We expect the growing share of multiple dwellings to continue into 2003 with starts increasing to 84,200 units, up 5.7 per cent from 2002. Multiple starts will taper off in 2004, declining to 76,400 units reflecting the eventual rise in mortgage rates late this year.

MLS® sales poised for another solid performance in 2003

MLS® sales reached an all-time high in 2002, reaching 421,227 units. Given slower than expected economic growth, we expect the resale market to cool slightly in 2003. Nevertheless, data available for the first half of 2003 suggest that, while activity is not keeping pace with 2002, it remains very strong. Resales will fall 6.2 per cent to reach 394,700 units, making 2003 the second strongest year on record. Resales will fall in 2004 by 4.2 per cent to slightly over 378,000 units.

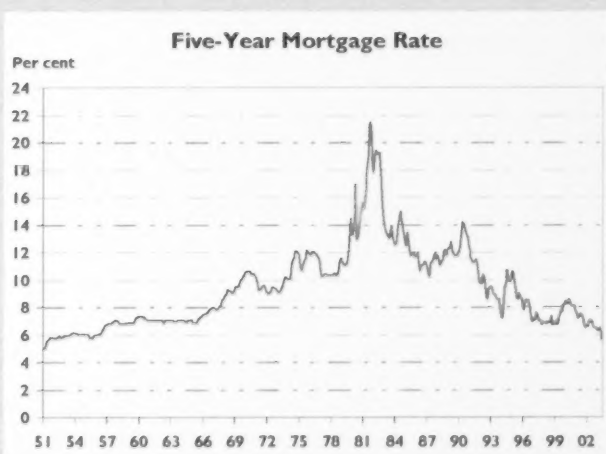
Price pressures will continue

Tight resale markets in some centres are expected to keep upward pressure on house prices in the near term. However, supply will increase in the form of new listings as potential sellers are drawn into the market by recent strong price increases. With demand easing slightly this year and next, the market will move closer to a balanced position causing price gains to moderate relative to last year's pace. Nevertheless, house prices will continue to increase faster than the general rate of inflation with a 7.4 per cent increase in 2003 and a 4.4 per cent increase in 2004.

Spotlight: Mortgage rates at their lowest level in over 40 years

Low mortgage rates boost sales of new and existing homes, which benefit builders and real estate agents. These low rates are good news for home buyers because they reduce the cost of home ownership and continue to support the demand for housing.

The five year mortgage rate has dropped to its lowest level in over four decades. Inflation adjusted mortgage rates are at the lowest levels since 1980, keeping housing markets strong.



Source: CMHC, Bank of Canada

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Trends Impacting Housing

Economic Growth has Slowed

Growth in the Canadian economy slowed in the second half of 2002 and remained weak in the first quarter of 2003 when real GDP grew by 2.4 per cent at annual rates. The weak spot was the trade sector. Exports fell sharply while imports edged up. Growth in final domestic demand, which excludes imports and exports, was much stronger, advancing 3.9 per cent (annual rate) in the first quarter of 2003. The red flag is that the largest contributor to the growth in domestic demand was the build-up in business inventories. This build-up in inventories will diminish and consumption will slow, resulting in lower production in the quarters ahead. Taking all of this information into account, we expect the weak growth in the Canadian economy to persist into the second quarter. Indeed, this is confirmed by the monthly GDP data, which indicated that the economy actually contracted in April. As a result, we've revised our forecast for real GDP growth in 2003 down to 2.1 per cent and three per cent in 2004.

Demographic shifts are leading to social transformations. The immigration targets for 2003 are for between 220,000 and 245,000 immigrants, however year to date data has been running at levels more consistent with under 200,000 arrivals. Immigrant housing demand tends to be initially for rental with movement into ownership after arrivals become firmly established. As for household composition, the 2001 Census revealed additional demographic shifts that could have a significant impact on housing. There has been an increase in one- and two-person households and a decline in larger households. Also, a larger proportion of young adults are living with their parents -- an increase of 14 per cent since 1996.

In the US, economic indicators are mixed. Consumer confidence has surged recently based on optimism with respect to the economic outlook -- consumer confidence with respect to current conditions is not favourable. There has been less than adequate job growth in the US and the mortgage refinance backed consumer spending has likely run its course. However, interest rates are at very low levels and the lower US dollar is making American made goods more competitive. Furthermore, the fiscal stimulus package should boost growth in the later half of the year, nevertheless, prospects for second quarter growth remain bleak.

One of the key risks that could jeopardize our economic forecast would be a continued appreciation of the Canadian dollar, which would make our exports less competitive and would worsen our trade balance and stifle economic growth. The Canadian dollar is still strong, but has come down from its peak in mid-June. Further deterioration in the US economy is another key area of risk. Expenditures on durable goods, one of the most interest rate sensitive components of consumer spending,, and despite low interest, has fallen in the last two quarters. If the US consumer's need for new cars, appliances and homes is becoming satiated, further stimulus from monetary and fiscal policy will be less effective than in the past. Canada would be affected through a lower demand for its exports.

Mortgage Rates are at 47 Year Lows

The Bank of Canada lowered its target for the overnight lending rate by 25 basis points on July 15th to 3.0 per cent. Previously the Bank had held rates steady at the June 3rd announcement date after two consecutive increases of 25 basis points in March and April. More subdued inflation, uncertainty surrounding the US outlook, the impacts of the appreciating Canadian dollar and Severe Acute Respiratory Syndrome (SARS) were behind the Bank of Canada's decision to ease monetary conditions. The Bank of Canada feels that these factors will lead to weak Canadian growth in the second quarter and softness in the third quarter. As a result, it is unlikely that the Bank will increase short-term interest rates before October of this year.

While mortgage rates are expected to start rising slowly by end of this year, they will remain low by historical standards. Currently, the five-year closed mortgage rate is at 47 year lows. The one-year mortgage rate is expected to be in the 4.75 to 5.75 per cent range this year, increasing to the 5.75 to 6.75 per cent range in 2004. The five-year rate is expected to be in the 5.75 to 6.75 per cent range for 2003 rising to the 6.75 to 7.75 per cent range in 2004. Low interest rates, which reduce the carrying cost of a mortgage will contribute significantly to demand for home ownership this year and next.

Employment & Income Continue to Grow

A record 560,200 jobs were created in Canada in 2002, however, the rate of job creation slowed in the first half of 2003. The unemployment rate at 7.7 per cent is low from a longer term perspective but high relative to the last three years. However, the share of the population actively participating in the labour force is near an all-time high as is the proportion of people in the population that are employed. Therefore, we feel that the labour market in Canada is tight and that future employment growth will be more in line with labour force growth. Employment is forecast to grow by 2.2 per cent in 2003, slowing to 2.1 per cent in 2004. Real after tax income has grown rapidly since 1997, however, growth slowed recently due to the run-up in inflation. Nevertheless, income growth and tight labour markets will continue to help support housing demand.

Consumer Confidence is High

Consumer confidence in Canada remains at relatively high levels, however, it has fallen relative to its peak reached in June 2002. Recent surveys reveal that the percentage of people who feel that now is a good time to buy big ticket items has increased and that consumers are optimistic about the future. The optimism of Canadian consumers, will give them the confidence to make major purchases, which will help support housing demand in the near term.

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Trends at a Glance

Key factors and their effects on residential construction

Factor	Comment	Impact 2003	Impact 2004
Mortgage rates	Mortgage rates are the lowest they've been in 47 years, providing a significant boost to housing demand. As rates start to rise by year end, some stimulus to housing demand will be removed.	++	+
Employment	Employment gains late in 2002 will support housing demand in 2003, but as job creation slows, so will housing demand.	+	=
Incomes	Incomes will benefit from rising wages, however, slower job growth in 2004 will restrain income growth.	+	=
Net migration	Large migration inflows since 1987 have boosted housing demand. The more recent decline in net in-migration due to geopolitical instability won't affect home ownership for many years.	+	+
Natural population increase	Natural population growth is slowing, which will cause household formation to slow over time. However, births that occurred 20 to 30 years ago are behind the small increases seen in home ownership today.	+	+
Consumer confidence	Consumer confidence remains strong and will continue to support housing demand.	+	+
Resale market	A better balance between new listings and buyers in resale markets will eventually temper the demand for new housing.	-	-
Inventories of new and unoccupied units	The low inventory levels of newly constructed, unoccupied dwellings stress the need for new construction to meet the demand.	+	+
Vacancy rates	Low vacancy rates in many centres should spur multiple starts. As vacancy rates rise this impact will moderate.	+	=

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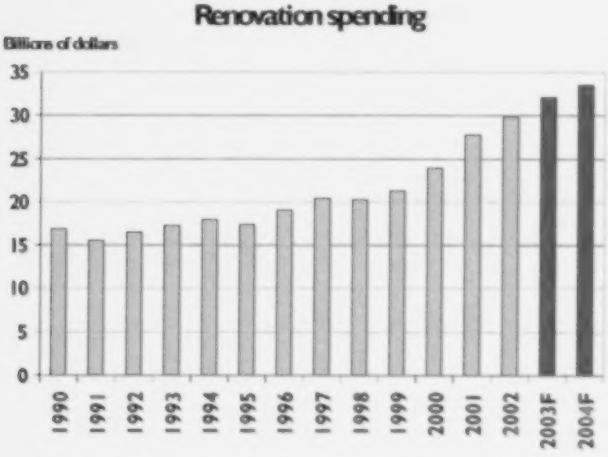
Renovation Forecast

Past strength in the resale market, robust housing starts and the effects of a strong job market typically drive renovation spending and will create strong growth for 2003. However, a modest rise in interest rates along with a cooling in the pace of job and resale market growth will generate moderate growth for 2004.

Short-term outlook

The economic growth of recent years and the strong performance of the housing market have enabled the renovation sector to progress at a steady rate since 1999. According to recent data revisions by Statistics Canada, the level of renovation activity was under-estimated over the 1999 to 2002 period. For example, for 2002, renovation spending was revised-up from $24.8 billion to $29.8 billion in current dollars. CMHC expects that renovation spending will continue to increase in 2003 and 2004. Total spending on renovations is expected to increase 7.6 per cent to reach $32.1 billion in 2003. As activity in the resale market cools in 2004, so will growth in renovation expenditures. Spending is expected to grow by 4.4 per cent, reaching $33.5 billion in 2004.

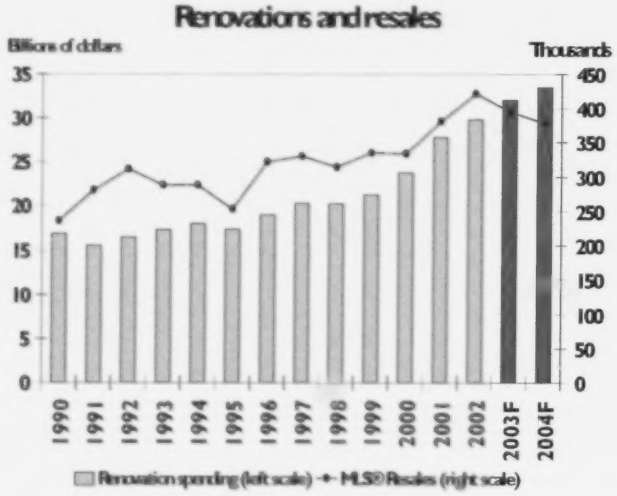


Source: CMHC Forecast 2003-2004, Statistics Canada

The strong economic growth that Canada has experienced provides a solid underpinning for renovation expenditures. Record sales of existing homes over the past two years and historically low interest rates combined with the growth in mortgage refinancing activities have provided a strong stimulus for renovation activity.

Past record levels in the resale market lead the way

Resales are a principal driving force behind renovation spending. The resale market reached record levels in 2002, with MLS® sales hitting 421,227, which surpassed the previous record set in 2001 by over 40,000 sales. The historical correlation between renovation and home resales is strong because households generally undertake renovations within the first three years after buying a house.



Source: CMHC, Canadian Real Estate Association, Statistics Canada

Sales of existing homes are expected to drop slightly from the previous year's record level by a modest 6.2 per cent, but will remain at a historically high level of 394,700 sales, the second highest in over 22 years. In 2004, the level of sales will drop a further 4.2 per cent, but at close to 378,200 homes will still remain high. Even with the declines forecast in MLS® sales for 2003 and 2004, growth in renovation spending is expected to increase in 2003. Record sales in 2002 and the continued high volume of activity in 2003 and 2004 will continue to provide a solid foundation for renovation activity, as many of these recently purchased homes will undergo renovations.

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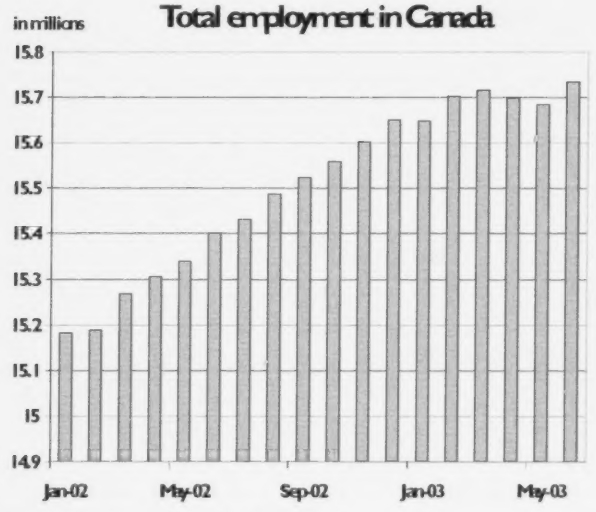
Strong job growth good for renovations

Solid job growth has generated steady income gains, which not only help finance renovation projects but boost consumer confidence to go ahead with the major expenditure that they entail. Therefore, the renovation market will continue to reflect the effects of the large amount of jobs created in 2002.



Source: Statistics Canada (LFS), CMHC

Atlantic: strong renovation market

The exceptional MLS® sales activity throughout Atlantic Canada in 2002 occurred despite a chronic shortage of active listings, seriously limiting the choice of homes available to prospective buyers. The consequence of this is that many buyers have purchased a home that is not quite what they want with the intent of renovating to better suit their needs. This continued shortage of active listings throughout 2003 will moderate the growth in renovation activity relative to the exceptional pace set in 2002, although the growth will remain strong by historical standards.

Quebec: very solid market

Renovation spending will post respective gains of 9.8 per cent in 2003 and 7.0 per cent in 2004, which is consistent with the recent CMHC ITBR survey that shows there is still a strong motivation to renovate among individuals. The recent strength in the resale market, historically low interest rates and the improvement in the job market are providing homeowners with the necessary financial means to undertake major renovation projects. The resale market is still in good shape in Quebec, though sales will be down from last year due to a lack of listings. In addition, house price increases will provide incentive to renovate, either as an alternative to facing a sellers market or for individuals who see a greater probability of recovering their renovation investment should they sell in the future.

Ontario: enduring strength

Strong employment growth and a tight resale market expected in Ontario will promote healthy renovation growth in 2003, with a slowdown in growth for 2004, reflecting moderately higher borrowing costs and a rising Canadian dollar that will dampen the growth impact of exports. Nevertheless, with a tight resale market, strong employment and increasing home prices, renovation growth is expected to be strong with 6.7 per cent growth in 2003 and 3.3 per cent growth in 2004.

Prairies: Saskatchewan and Manitoba take the lead in 2004

Renovation spending in Manitoba is expected to grow 5.3 per cent in 2003 and decline a bit to a modest growth of 2.1 per cent in 2004. A lack of listings in the resale market has encouraged renovation activity among individuals, especially in Winnipeg.

Saskatchewan is facing the same type of renovation spending as seen in Manitoba with the expected growth to be 5.4 per cent in 2003 and 2.1 per cent in 2004. Alberta will match the other two provinces in 2003 with renovation growth of 5.1 per cent and will experience renovation growth of one per cent in 2004.

British Columbia: a significant increase

Although small declines in resale activity are expected in British Columbia over the next two years, the level of resale activity will still be high in comparison with the levels reached in the previous years. British Columbia is a predominantly a sellers market with relatively high and rising house prices. This environment may prompt some individuals to stay in their homes and renovate, while others may take advantage of the sellers' market and move. People tend to undertake repairs and improvements before they sell and renovate after they buy. This suggests that spending on renovations is on a cyclical expansion and will increase in the next two years.

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Renovation and construction expenditure

		Renovation			Construction		
		2002	2003	2004	2002	2003	2004
Newfoundland	($ millions)	517	538	555	264	247	248
	(% change)	1.7	4.1	3.1	41.3	-6.6	0.4
P.E.I.	($ millions)	121	125	128	93	86	76
	(% change)	8.1	4.0	2.4	19.6	-8.1	-11.5
Nova Scotia	($ millions)	971	1,033	1,079	598	526	528
	(% change)	10.8	6.4	4.4	21.4	4.1	0.4
New Brunswick	($ millions)	673	707	731	419	427	410
	(% change)	9.7	5.1	3.4	16.5	2.0	-3.9
Quebec	($ millions)	7,590	8,330	8,914	5,217	5,794	5,549
	(% change)	8.8	9.8	7.0	58.2	11.1	-4.2
Ontario	($ millions)	11,754	12,545	12,958	12,265	12,579	11,883
	(% change)	4.5	6.7	3.3	20.3	2.6	-5.5
Manitoba	($ millions)	962	1,013	1,034	433	405	407
	(% change)	15.1	5.3	2.1	25.4	-6.5	0.6
Saskatchewan	($ millions)	850	896	915	313	319	322
	(% change)	9.1	5.4	2.1	27.9	1.7	1.1
Alberta	($ millions)	2,713	2,852	2,880	4,603	4,390	4,088
	(% change)	9.9	5.1	1.0	32.3	-4.6	-6.9
British Columbia	($ millions)	3,640	4,003	4,311	3,220	3,669	3,846
	(% change)	7.1	10.0	7.7	24.7	13.9	4.8
Canada	($ millions)	29,791	32,056	33,461	27,427	28,442	27,358
	(% change)	7.1	7.6	4.4	29.0	3.7	-3.8

Source: Statistics Canada, CMHC forecast 2003 and 2004.

Renovation Expenditure Breakdown, Canada
(millions of dollars and annual percentage change)

	2002	2003F	2004F
Alterations & Improvements	22,008	23,705	24,808
%	7.1	7.7	4.7
Repairs	7,783	8,351	8,613
%	7.1	7.3	3.1
Total Renovations	29,791	32,056	33,461
%	7.1	7.6	4.4

Source: Statistics Canada, CMHC forecast 2003 and 2004.

CMHC Renovation Forecast Components

The figures presented in the CMHC forecast include renovation expenditures made by landlords and homeowners.

Alterations and improvements: Major projects leading to an increase in the value of the home, including expansions or modifications and the addition of new equipment.

Repairs: Regular maintenance tasks such as painting, caulking, or replacement of existing equipment.

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British Columbia

Overview

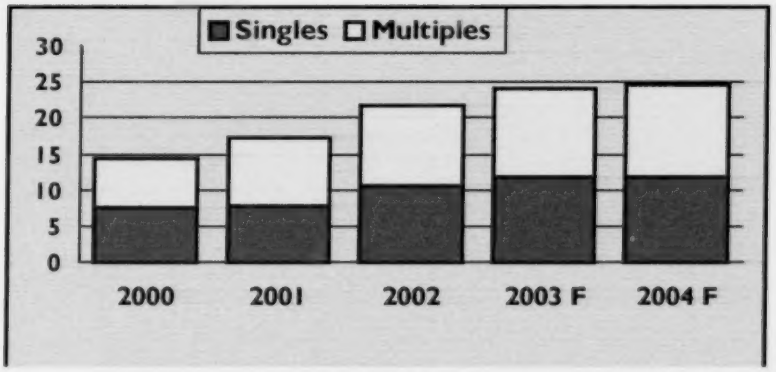
Housing Outlook Positive for BC

The outlook for the BC housing sector is for further expansion in 2003 and 2004. Economic growth in the province for 2003 is expected to be 2.0 per cent, on par with last year. Once again, weakness on the trade side of the economy will offset strength on the domestic side. Low interest rates will continue to stimulate residential investment and consumer spending. The appreciation of the Canadian dollar against the US currency will have a dampening effect on the province's export sector. At the same time, a stronger Canadian currency will help reduce consumer price inflation and keep interest rates low. By 2004, a pick up in the US economy will bolster demand for BC exports. As well, improved business conditions and confidence will result in increased investment in the province.

The key drivers of residential investment, including employment, mortgage rates and personal incomes, will support growth in the housing sector during the next two years. BC will record a net outflow of people to other provinces but this will be more than offset by gains in international migration. The province's population will grow in line with the national average of about one per cent per year. With employment up significantly in the first half of 2003 and a shift from part-time to full-time employment, housing in BC is on solid footing.

Momentum from 2002 will continue through 2003. As a result, housing starts will top 24,000 units this year and 24,600 units in 2004. This level of residential construction activity will be below the province's historical long-term average of 30,000 units.

B.C. Starts (000's)



In Detail

Single Starts: Single starts, the most preferred type of housing, are set to increase to 11,750 units in 2003, a 9.5 per cent increase from 2002. Single starts will plateau near 12,000 units in 2004.

Multiple Starts: Very low apartment inventory levels in the major urban centres of Vancouver and Victoria will spur construction of multiples. Multiple starts will grow 12.9 per cent to 12,300 units this year and a further 3.7 per cent to 12,750 units in 2004.

Resales: Resale activity will slow in the next two years but remain at relatively high levels. Low mortgage rates will continue to support home buying throughout the province. Total MLS® resales will decline by 5.7 per cent in 2003, with a total of 78,000 houses changing hands, while MLS® resales in 2004 will reach 77,000 units, a decline of 1.3 per cent.

Prices: With low inventories of available housing, upward pressure on prices will continue even as the volume of resales declines. Established neighbourhoods continue to demand the highest prices in the market. The average price will increase to $250,000 in 2003, up about 5 per cent from last year. Prices are set to rise to almost $260,000 in 2004.

Provincial Highlight

The number of people employed in BC rose sharply in mid-2002 then reached a plateau in the first part of 2003. While there has not been much change in total employment for some months, there has been an underlying shift in the mix of jobs. Since December 2002, full-time employment increased significantly while part-time employment has fallen. This is indicative of changing labour market conditions as the economic recovery takes hold. In the next two years, the BC economy will add about 80,000 jobs, supporting further growth in BC's housing sector.

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Alberta

Overview

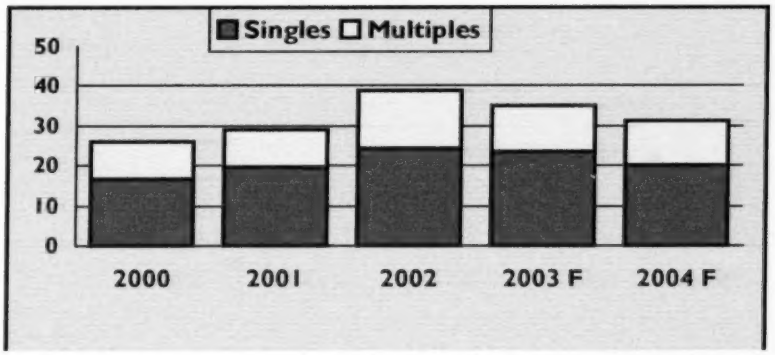
Economic environment remains optimistic

After falling below the national average in 2002, Alberta once again is poised to lead the provinces in terms of economic growth. Increased spending in the energy sector will help the provincial economy expand by 3.3 per cent in 2003 and 3.5 per cent in 2004.

Despite the optimistic outlook, pockets of weakness exist in the economy. Lumber producers are being impacted negatively from the softwood lumber dispute with the United States. Meanwhile, the closure of beef export markets due to concerns over mad cow disease has forced some meat packing plants to curtail production and reduce their work force. Nearly 41 per cent of Alberta's beef is marketed outside of Canada. Prospects for overall economic growth would be even brighter if a solution to these issues was found in the near term.

The optimistic view is also reflected in the outlook for job growth. The provincial economy is anticipated to generate close to 90,000 new jobs through 2004. Job gains should be spread out across the province.

Alberta Starts (000's)



A healthy job market will be positive for rental and homeownership demand. Workers in the renter and home buying categories (20 to 44 years of age) will continue to hold full time jobs. Solid employment prospects will attract workers from other provinces and countries and further supplement housing demand.

The positive fundamentals will result in MLS® sales remaining close to the average of the past five years. Demand for new homes will also remain robust with 35,100 total starts this year and 31,200 in 2004. About two-thirds of these starts will be single-family homes.

In Detail

Single Starts: While Alberta's home building industry remains poised for good years in 2003 and 2004, the prospect of setting new records appears unlikely. Going forward, higher prices and greater competition from the resale market will reduce demand for new single-family homes. Nevertheless, single-family starts will still be slightly above the average of the past five years. In 2003, single-family starts will reach 23,500 units before falling to 20,000 units in 2004.

Multiple Starts: Multiple-unit construction is expected to total 11,600 unit this year, and 11,200 units in 2004. With prices rising in the new single-family market, condominium units will remain strongly in demand. Moreover, strong price increases for existing condominiums and a favourable outlook for rental markets will encourage developers to construct new multi-family units.

Resales: A healthy job market and continued population gains will sustain resale activity at high levels. However, possible mortgage rate increases and rising prices will cause monthly mortgage payments to increase through 2004. Higher carrying costs will inhibit the resale market from approaching the levels of activity seen during 2002. MLS® sales will drop from 51,042 units in 2002 to 49,000 units in 2003 and 45,000 units in 2004.

Prices: The resale market experienced double-digit price increases in 2002 as too many buyers were chasing after too few listings. There is now a balance between supply and demand. Through 2003 and 2004, price gains will come down to the single digit range.

Provincial Highlight

About 50 per cent of all Albertans are under the age of 35 compared to 45 per cent for the rest of Canada. On the other side of the age profile, nearly 23 per cent of the population outside of Alberta is over the age of 55. In Alberta, about 18 per cent of the population is over the age of 55.

However, this does not mean that in the future Alberta will not face the same pressure (such as rising health care expenditures, greater demand for Seniors housing) from an ageing population as the rest of the country. Rather, the pressures will surface a few years later in Alberta. A further examination of data reveals that Alberta's population has not defied the national trend of ageing. In 1981, only 23 per cent of the population was aged 45 years or more. In 2001, this share had risen to nearly 33 per cent.

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Saskatchewan

Overview

Economic growth sustains housing markets

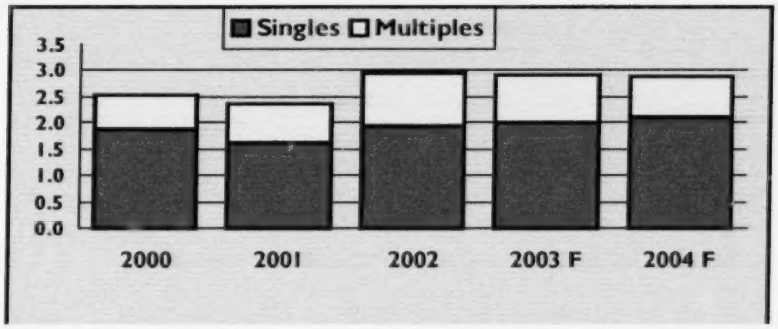
Economic growth will help sustain housing markets over the forecast period. Annual MLS® sales will remain stable at about 7,500 units while annual total starts will flirt with the 3,000 mark.

After contracting for two consecutive years, the Saskatchewan economy is poised to grow by 2.8 per cent in 2003 and three per cent in 2004.

Increased activity in the oil and gas sector will fuel investment spending in 2003. Higher crop production in 2003 will benefit export growth in 2004. The impact of government expenditures on economic growth will be neutral over the forecast period. The latest provincial budget calls for an average annual increase of 1.6 per cent in operating spending from 2002-03 to 2004-05.

Meanwhile, a low unemployment rate will help maintain consumer confidence and spending.

Saskatchewan Starts (000's)



Saskatoon and Regina will continue to gain in economic prominence over the rural centres. Over the past 15 years, the number of jobs in Saskatoon and Regina has grown at an average annual rate of 1.2 per cent and 0.9 per cent, respectively. Over the same period, total employment outside of these centres has contracted at annual pace of 0.3 per cent. Consequently, the two centres now account for about 47 per cent of all jobs in the province compared to 42 per cent in 1988.

The stronger economic performance of the two major cities will lessen the outflow of people to other provinces. Population and household growth in Regina and Saskatoon will be above the provincial average as these cities will continue to attract migrants from other parts of the province.

Demand for new homes will also remain robust with 2,925 total starts for this year and 2,900 in 2004.

In Detail

Single Starts: Demand for single-family homes in 2003 will keep pace with that seen in 2002. The market is supported by modest employment growth throughout the province but particularly in the cities of Regina and Saskatoon. Rural Saskatchewan is already showing signs of recovery from the weak agricultural situation in 2001 and 2002. In 2003, single-family starts will reach 2,000 units and rise to 2,100 units in 2004.

Multiple Starts: Condominium, life lease and rental housing starts will slow in the second half of 2003, as builders and developers concentrate on marketing of projects currently under construction to reduce inventories. Although in recent years the province has seen construction of a number of rental projects offering assisted living for seniors, the first significant rental projects designed for the open market are now under construction. Multiple-unit construction is expected to total 925 units this year, and 800 units in 2004.

Resales: The defining characteristic of Saskatchewan resale markets is a scarce supply of low price listings versus steady demand from first-time buyers. In the largest resale markets, the average number of days required to sell a listing is now less than 30 days. Despite these characteristics, major resale markets will remain balanced over the forecast period.

Prices: Average resale prices will experience growth, in excess of inflation in 2003 and 2004. An element of this growth will be due to homebuyers opting to buy higher priced homes due to the shortage of lower priced units. The average price of a resale home in the province will rise to $105,000 in 2003 and climb to $108,000 in 2004.

Provincial Highlight

Demand for multi-family housing in Regina and Saskatoon has pushed the volume of units under construction to their highest levels since the late 1980s. In Saskatoon, builders are involved in the construction of 745 units, a figure not matched since May 1988. In Regina, construction of 256 units is underway, the highest since August 1989.

Developers have found a ready market for multiple projects from early-retirees and seniors looking for a community where they feel sheltered and have freedom from home maintenance.

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Manitoba

Overview

Low interest rates sustain housing markets

Housing starts in Manitoba posted their best performance since 1989 with 3,617 units in 2002.

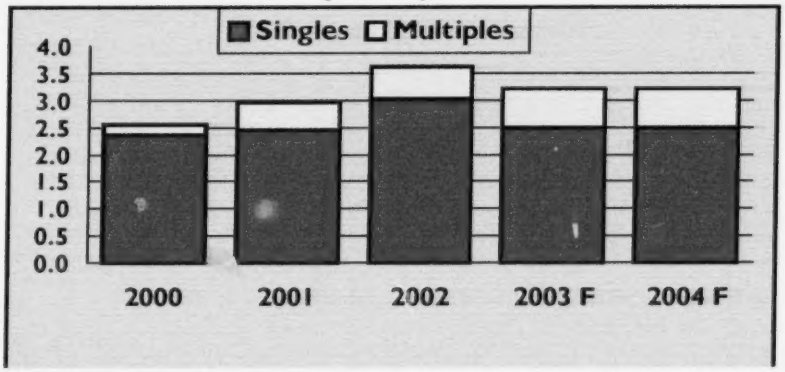
Low interest rates and a lack of supply in the resale market will continue to bolster housing starts over the next 18 months. However, builders will be hard pressed to match the performance of 2002. Total starts will remain stable at about 3,200 units in 2003 and 2004.

A weak U.S. economy and a higher Canadian dollar will dampen export growth over the forecast period. Accordingly, the forecast for economic growth has been lowered from about three per cent in 2003 and 2004 to 1.5 per cent in 2003 and 2.6 per cent in 2004. Higher levels of government capital spending will underpin the economic expansion.

Manitoba is attracting more international workers from other countries. However, the province continues to lose workers to Alberta and Ontario where average weekly earnings are about 20 per cent higher. Weaker economic growth will result in lower job growth in 2003. Job gains in the service sector will be offset by losses in the manufacturing and mining sectors. In 2004, a lack of skilled workers will hamper job creation.

Sluggish job growth and the loss of people to other provinces means that household growth will not be a major contributor to housing demand. The current forecast anticipates the number of households to increase at an average annual rate of about 0.5 per cent to one per cent.

Manitoba Starts (000's)



In Detail

Single Starts: Single-family starts in the first quarter of this year were strong, maintaining the pace of growth set last year. Driven by existing orders, builders will continue to be busy for the remainder of the year. However, the results of recent months indicate that the monthly number of starts is beginning to fall below last year's pace. About 2,500 single-family starts are forecast in each of 2003 and 2004, close to the average of the past five years.

Multiple Starts: Multiple-family activity in Manitoba is characterized by spurts of activity. Two or three large projects can greatly influence the overall number of starts. One of the largest rental projects in recent years in Winnipeg is expected to break ground this summer. As well several life-lease and condominium projects are reaching their pre-sold unit objectives and will begin construction. About 700 multi-family starts are forecast in each of 2003 and 2004, slightly above the average of the past five years.

Resales: Demand will continue to outstrip supply in the Winnipeg resale market in 2003. Winnipeg accounts for about 90 per cent of the resale activity in the province. Sales are currently restricted by a lack of listings. Therefore the number of sales is expected to level out slightly below 11,000 units this year and next. The lack of choice in listings is also resulting in many buyers turning to the new home market as an alternative.

Prices: Sellers' market conditions will force buyers to purchase at list price or greater. The average resale price will surpass the $100,000 level in 2003.

Provincial Highlight

Recent building activity has eroded the serviced land supply in the City of Winnipeg, especially in the South West quadrant where several major subdivisions are nearing completion.

An opportunity to address this issue may present itself next year. About 65 hectares near the centre of the city will become available due to the relocation of the Kapyong Barracks in 2004. The Canada Lands Company (CLC) is negotiating with the Department of National Defense to redevelop the site. CLC intends to undertake a public consultation process that will lead to the land being developed as a sustainable community, similar to the Garrison Woods development in Calgary.

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Ontario

Overview

Condominiums in vogue

Mortgage rates are near historic lows and are adding significant stimulus to housing demand. Overall, economic indicators are mixed. High inventories of goods and stagnant new order levels are keeping manufacturing industries pessimistic. However, consumers continue to spend money despite SARS and other economic concerns.

Employment growth, which is key to strong housing markets, will be at a three year high in Ontario in 2003. In the U.S, the composite leading indicator suggests that employment there has bottomed out. As the US recovers, demand for Ontario's exports will rise, but this will be partially offset by the rising Canadian dollar.

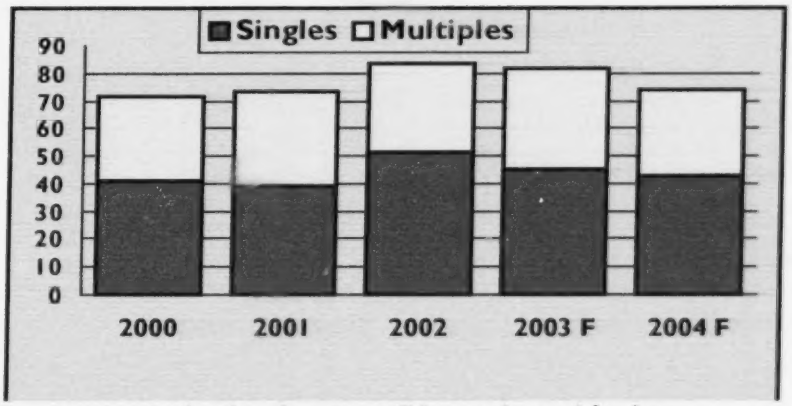
Immigration is the main source of population growth for Ontario. Initially new immigrants tend to settle in rental housing, however the longer they live here, the more their tenure choices resemble those of Canadians. Therefore, waning immigration over the past year will impact the demand for rental housing, while strong immigration in the decade prior will boost demand for home ownership for a few more years.

Most metropolitan resale markets are hot, but sales are below the levels seen at the start of last year. Sales to new listings ratios are firmly planted in sellers' territory. Price increases will continue to outpace inflation.

New home construction is strong and new home inventories are low. In most centres, land, labour and material costs are driving up the real prices of new homes. Freehold and condominium construction represents the bulk of multiple family home building activity. Rental construction is forecast to pick up slightly.

Total housing starts are expected to be above 81,000 this year and fall to around 74,000 units in 2004.

Ontario Starts (000's)



In Detail

Single Starts: Low mortgage rates continue to fuel the relatively more expensive single detached home segment. Last year, single detached starts reached a 13 year high. Construction activity this year will still remain strong with 45,500 units. As prices and mortgage rate rise into 2004, single detached housing starts will pull back from 2002's record pace with 43,000 units.

Multiple Starts: A flurry of new condominium apartment presales in 2002 will fuel much of this year's multiple starts activity. First time buyers attracted by mortgage rates near historic lows, and investors fed up with the stock market, snapped up many of the units. Rental construction has also increased this year. Multiple starts will reach 36,000 units this year, and 31,000 units in 2004.

Resales: Strong sales were constrained by the limited number of new listings flowing onto the market. Many frustrated potential resale buyers turned to the new home market to meet their housing needs. New listings will push higher this year thereby increasing the selection for resale home buyers. Resales are forecast to remain brisk this year with 170,000 units and into 2004 with 160,000 units.

Prices: Home prices are high and rising. In some markets such as Ottawa, real inflation adjusted home prices are at their highest level ever, but the pace of price growth is anticipated to slow. With resales down marginally and new listings on the rise, price pressures will ease somewhat this year and into 2004. Look for the average resale home price to rise 8.2 per cent this year and an additional 5.3 per cent in 2004.

Provincial Highlight

Home sales in Toronto are high. Price increases have slowed compared to the near double digit hikes witnessed in 2002. The Toronto rental market has opened up, with the vacancy rate nearly tripling in 2002 to 2.5 per cent.

Canada's largest housing market continues to thrive despite a slight drop in consumer confidence. Economic uncertainties followed by Severe Acute Respiratory Syndrome (SARS) only resulted in a minor pause in Toronto's housing scene. Look for housing activity this year to nearly match last year's record setting pace as consumer's return with a vengeance.

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Quebec

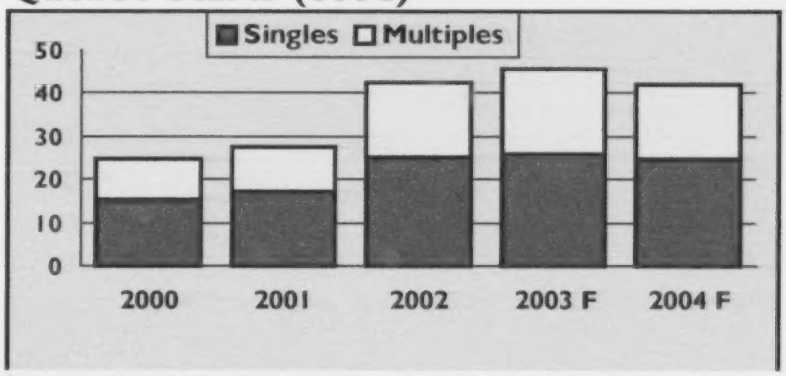
Overview

Demand Will Remain Similar in 2003

As the year's first results show, the economic and demographic factors, as well as the market situation that underpinned the growth in residential construction last year will continue to create an environment favourable to both the supply and demand of housing, and will lead to more than 45,000 housing starts in Quebec this year.

In 2003, the Quebec economy will suffer the effects of a temporary slowdown in the driving forces that were the source of the strong growth recorded last year. Despite the downswing in the employment market in the first quarter of 2003 and the uncertainty regarding the U.S. recovery, the consumer confidence level will remain fairly high. Consumer spending should continue to be maintained by the strong job growth of 2002, higher disposable incomes and relatively low interest rates. While private investment will start to rise shortly, this will be more than offset by falling public investment spending in Quebec this year.

Quebec Starts (000's)



In spite of weak foreign trade due to the stagnating US economy, the rapid climb in the value of the Canadian dollar and slumps in key sectors of the economy (air transport, automotive and some high tech niches), growth is still expected to rebound as the impact of these factors dissipate.

Against such a background, we are expecting a two per cent rate of growth in the provincial GDP for 2003. Employment will grow at a more moderate pace this year but will strengthen starting in 2004; the unemployment rate will hover around 8.8 per cent in 2003. Continued low mortgage rates in 2003 as well as increasing net migration and tight housing markets, will support strong residential construction and housing starts will climb to more than 45,000 units in 2003 edging down to 42,000 units in 2004.

In Detail

Single Starts: Economic conditions will certainly lead to a slowdown in demand, but the recent significant job creation, ongoing low mortgage rates and tight housing markets will continue to boost demand and buoy the construction of single detached homes. Starts are forecast at roughly 26,000 units in 2003 and 25,000 in 2004.

Multiple Starts: In 2003, the construction of multiple housing units in Quebec will continue to benefit from persistently tight rental markets, from the popularity of condominiums, which is growing in certain areas, and from a persistent demand for retirement housing, which is also tight. More than 19,000 mulitple unit starts are expected in 2003.

Resales: Despite low mortgage rates and the persistent choice limitation in the existing market, demand in the existing market will be influenced by dynamics similar to those seen in the single detached home market and will not be able to reach the record level seen last year. Approximately 61,000 sales are expected in 2003.

Prices: Even with lower sales expected for 2003 and 2004, the demand for existing homes will run into what remains a relatively tight supply. This will be reflected by resale markets that continue to be favourable to sellers and by persistent upward pressure on prices. We expect the average price in this market will exceed $140,000 in 2003.

Provincial Highlight

Having risen by more than 50 per cent in 2002 and by roughly 30 per cent to date in 2003, condominium construction is reaching new heights in Quebec (more than 6,000 starts in 2002). With characteristics conducive to urban living, condominiums are seen as a phenomenon of large cities and of Montréal in particular. Yet the latest housing start surveys conducted by CMHC reveal significant growth in projects for the condominium market, especially in the Québec census metropolitan area, as well as the appearance of construction sites in some small urban centres. In view of the change in occupancy mode that will result from population ageing and the Montréal moratorium on the conversion of rental properties into condominiums, housing construction in this market segment will be a phenomenon to be followed closely.

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New Brunswick

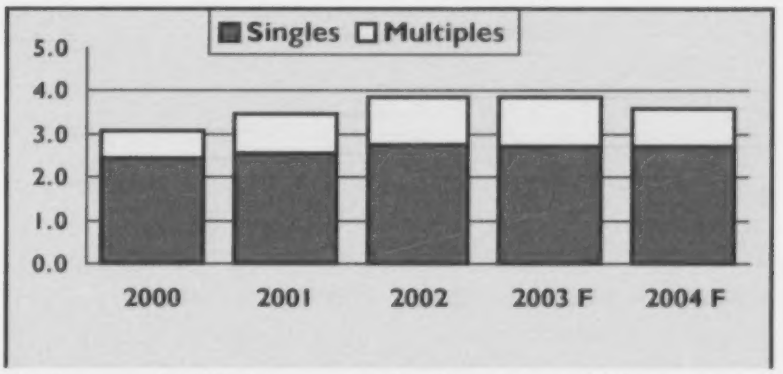
Overview

Capital projects to fuel provincial economic growth

Major capital projects such as the $400 million twinning of the TransCanada Highway and the $750 million conversion of the Coleson Cove Generating Station will fuel economic growth over the forecast period. However, the postponement of other significant projects, including the province's refurbishment of Point Lepreau nuclear power plant and the $500-million Canaport terminal, comes at the expense of growth. The slow recovery of the U.S. economy combined with the softwood lumber dispute also affect the province's economic growth. Weaker consumer confidence is already evident as retail and new motor vehicle sales in New Brunswick have declined significantly so far this year.

As a result, expect the provincial economy to grow by 2.0 and 2.5 per cent in 2003 and 2004 respectively, a pace that is slower than anticipated earlier this year.

New Brunswick Starts (000's)



Employment should also grow at the slower pace of 1.1 per cent in 2003 and 1.8 per cent in 2004. However, due to slower growth in the labour force, expect the unemployment rate to drop to 10.2 per cent by 2004.

Despite slower economic growth, low mortgage rates will continue to stimulate new home construction in 2003, matching last year's strong levels. However, expect residential activity to decline in 2004. The drop in housing starts will be due to a decline in multiple starts. Our current forecast indicates that total housing starts will reach 3,850 units in 2003 and 3,600 units in 2004.

In Detail

Single Starts: Builders were off to a slow start this year as they faced severe winter conditions. Expect single starts to bounce back in the second half of 2003, thanks to 47 year low mortgage rates. However, a spur of activity over the next few months may not be enough to bring single starts up to last year's levels. Low mortgage rates will also cause builders to be busier than expected in 2004. Our current forecast indicates 2,700 single starts in both 2003 and 2004.

Multiple Starts: Improved economic conditions and demand for new rental stock will boost multiple starts in Saint John over the next few years. Near record low vacancies will also stimulate multiple starts in Fredericton. When combined with a better year than expected in Moncton, multiple starts will reach a high of 1,150 units this year. However, expect multiple starts to drop to 900 units in 2004 due to fewer units in Moncton.

Resales: 2002 was a record year. Despite a slow start, there is no indication that 2003 will not maintain the trend. MLS® resales will reach a level of 5,150 units this year, and 5,300 units in 2004. Intra-provincial migration to all three larger centres and low mortgage rates will continue to stimulate sales, particularly in Fredericton where listings are abundant.

Prices: An expected rise in listings will ease the pressure on the currently tight resale market conditions and cause the average sales price to grow at a slower pace over the forecast period. Expect the average MLS® price to rise by 2.9 in 2003 and 1.5 per cent in 2004.

Provincial Highlight

The aging phenomenon and low borrowing costs are two key factors which will stimulate the construction of rental accommodations in New Brunswick over the next few years. An increased number of empty nesters and seniors has and will continue to boost demand for smaller and lower maintenance apartment units.

Low interest rates over the past few years have caused a substantial drop in borrowing costs for builders. As a result, high-end apartment starts in all three larger urban centres will remain strong in historical terms over the next few years.

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Nova Scotia

Overview

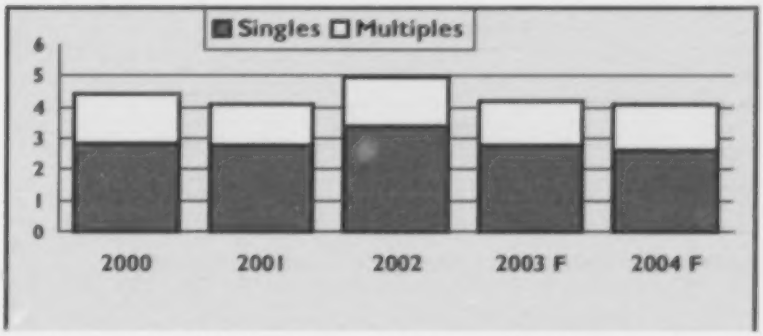
Total starts to fall in 2003

Housing markets around the province are already showing clear signs of descending from 2002's lofty peak- a trend that is expected to continue through the end of next year. Lackluster job growth, weak net migration and satiated consumer appetites will temper home ownership demand in 2003 and 2004, resulting in declines in both the new and existing homes markets.

Nova Scotia's economy is expected to grow only modestly over the next two years as retreating consumer spending offsets increasing business investment and production. While there are uncertainties in the Halifax Harbour Cleanup Project and in fledgling offshore oil and gas industry, the manufacturing sector is faring quite well and education facility construction is expected to accelerate over the next two years. However, the billion dollar provincial tourism industry is being adversely affected by concerns about SARS and lingering weakness in the global economy- not to mention the strengthening Canadian dollar, which is also dampening activity in the trade sector. Consequently, provincial GDP growth is forecast to fall to 2.1 per cent in 2003 and remain tepid at 2.2 per cent in 2004.

As home ownership demand continues to soften, existing home sales are expected to slide after surpassing the 10,000 sales mark last year. Furthermore, total housing starts are forecast to fall significantly this year and next with the bulk of the slowdown being felt by single-detached home builders. As a result, expect total housing starts to fall to 4,225 this year and 4,100 in 2004.

Nova Scotia Starts (000's)



In Detail

Single Starts: With home ownership demand softening and existing home markets relaxing, single family home building is forecast to continue its downward trend over the next 18 months. Single starts will bear the brunt of the overall decline in the new homes market as activity returns to much more typical annual levels of 2,775 this year and 2,600 in 2004.

Multiple Starts: Multiple unit activity remains a bright spot in the new homes market. Rising single unit prices and increasing construction costs are expected to provide the necessary environment for continuing strength in the resurgent semi-detached, row and apartment market. Developers continue to introduce new high-end rental and condo projects in Halifax in response to steady growth in demand for apartment living. As a result, multiple unit starts are forecast to end the year at a very respectable 1,450 units in 2003 and 1,500 starts in 2004.

Resales: Existing home sales are expected to fall well below the 10,000 unit mark to 9,200 sales this year and 8,850 in 2004. A thin supply of homes for sale and already high list prices will discourage potential buyers, particularly once mortgage rates start to rise and monthly mortgage carrying costs rise accordingly.

Prices: Resale home price growth is forecast to decelerate to under 7 per cent this year and roughly 2 per cent in 2004 as demand fades. On the new home front, price growth is expected to remain strong motivated by tight trade labour conditions, and move-up buyer dominated new home market demand.

Provincial Highlight

A recent Statistics Canada report looking at the imported inputs used in provincial exports revealed that Nova Scotia's economy is the least vulnerable to changes in international export trade. According to Statistics Canada, by netting out imported inputs to exports, a clearer indicator of the dependence of provincial exports to value-added GDP can be determined. In 1999 Nova Scotia ranked 10th among the provinces with respect to the dependence of international export trade to GDP. With food products the largest component of the province's manufacturing shipments, it is not surprising that only 26 per cent of Nova Scotian exports contained imported inputs.

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P.E.I.

Overview

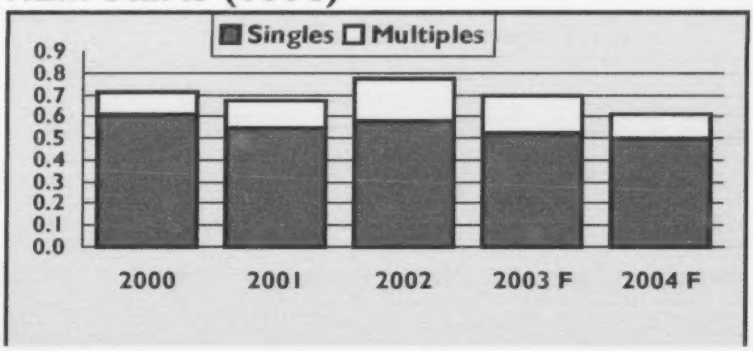
Multiple Starts to Drive Housing Starts in 2003

The provincial economy is expected to expand by 2.0 per cent in real terms in 2003, down from last year's pace. In 2002, the agriculture sector bounced back, following a drought and potato embargo brought on by the potato wart which plagued farmers in 2001, and cut production to about half of the previous year's levels. This resulted in the worst year for farm incomes on record, and stalled economic growth in 2001. Last year's recovery in the agriculture sector will benefit the food-processing companies this year as they rely on home-grown product instead of imports.

Over the forecast period, we expect a good potato crop with yields similar to those in 2002. Tourism will remain strong, thanks to an aggressive marketing campaign, a reputation as a safe family destination, and the close proximity to the United States. Employment and labour force growth on the Island will remain positive in both 2003 and 2004. The service sector should continue to experience employment gains over the forecast period, due to the Island's diversifying economy. New residential and non-residential projects will allow the construction sector to maintain the current level of employment.

Housing starts are expected to reach 700 units in 2003, a decrease of only 9.7 per cent from the decade high level reached in 2002. The strength in housing starts in 2003 is expected to come mainly from multiple starts in the Charlottetown area. In 2004 expect to see total housing starts soften again to 610 units, as multiple construction drops from the 2003 level.

P.E.I. Starts (000's)



In Detail

Single Starts: Single starts in 2002 reached their highest level since 1988. The construction of single homes is expected to remain strong in 2003 with 525 units being built, a decline of only 57 units from the 2002 level. In 2004, single starts will decline further, reaching 500 units.

Multiple Starts: Multiple starts in 2003 are expected to reach 175 units, a decrease of only 18 units from 2002. Multiple starts will not match 2002 levels, but will remain strong in historical terms. The majority of the multiple starts in 2003 will consist of a few large apartment style projects. In 2004 multiple dwelling start will fall to 110 units.

Resales: MLS® sales in PEI have hovered around the 1,200 mark for the past four years, and will continue to do so in 2003 and 2004. While demand for existing homes remains strong, the limited supply of listings continues to constrain sales.

Prices: A shortage of listings and a strong demand for existing homes in the province's urban centres fuelled strong price increases over the past few years. However, a higher ratio of first-time buyers will cause the average MLS® price to increase by a more modest 0.9 per cent in 2003 and 1.0 per cent in 2004.

Provincial Highlight

The federal government has recently taken the wraps off what is being billed as the most advanced and environmentally friendly building ever built by the government of Canada. The new five-storey, 11,000 square-metre structure will feature a green roof and photovoltaic cells, used to catch sunlight. It will also use rainwater in its cooling systems and then recycle that water to the plants located in the atrium. The building will cost more than $48 million. Construction is expected to begin in early 2004 and be completed by late 2005 or early 2006.

More than 400 federal employees will work at the centre, which will house a single-point of access to a variety of government services in downtown Charlottetown. The potential list of tenants includes ACOA, Citizenship and Immigration Canada, Correctional Services Canada, Status of Women, Veterans Affairs, Communication Canada, Canadian Heritage, Health Canada and the P.E.I. Federal Council.

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Newfoundland and Labrador

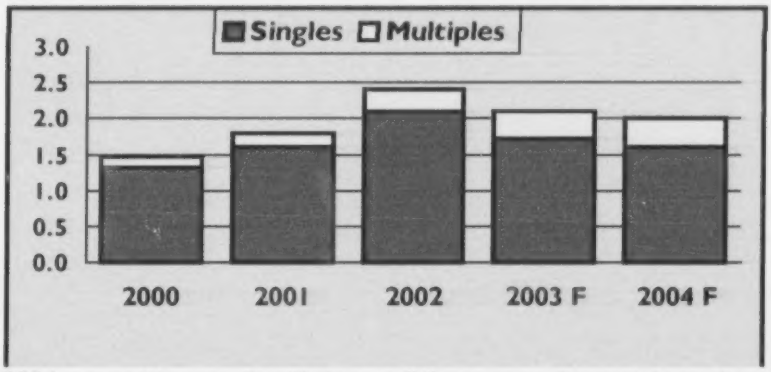
Overview

Economic Growth and Housing Demand to Moderate from Recent Highs

While the provincial economy will continue to expand this year and next, housing demand will not keep pace. Anticipated gains in offshore oil production and increased expenditures at both White Rose and Voisey's Bay will be the major contributors to overall growth. Despite the positive outlook, growth in real GDP will not approach the heights achieved in 2002. In particular, the numerous issues facing the troubled fishing industry will have the greatest impacts on economic growth. Closure of the cod fishery along the northeast coast and gulf regions for an indefinite period and the temporary shut down of the lucrative crab and shrimp fisheries this past spring will create much uncertainty and moderate economic output and housing demand. Expect provincial real GDP to increase 3.6 per cent this year. In 2004, economic growth will slow to 2.0 per cent, due mainly to the stabilization in oil production. Income and employment gains will remain on track, helping to fuel consumer spending, with much of the growth outside the oil and mining industries remaining service based. While income support programs will provide some short term relief to affected fishery workers, the absence of longer term job prospects will lead to further population declines. As much of the out-migration occurs in rural areas, urban centres, and in particular the St. John's region, will be less affected. Underlying strength in the St. John's economy will keep its housing market relatively strong, however, overall activity in the capital region is also expected to decline from the levels achieved in 2002.

Demand for new homes will be 2,100 starts for this year and 2,000 in 2004.

Newfoundland and Labrador Starts (000's)



In Detail

Single Starts: While rural areas will be hardest hit by the fishery downturn, a number of urban centres which service outlying communities dependant on the fishery, will also be impacted. When combined with rising home ownership costs, expect single-detached starts to taper off. Labour shortages and delays caused by the harsh winter are also going to be hard to make up this year. The growing shift towards multiple units such as condos, basement apartments and more affordable semi-detached homes will also moderate single-detached activity over the next two years. Despite the expected decline, single starts will still remain above levels observed over most of the last decade with 1,725 units in 2003 and 1,600 units in 2004.

Multiple Starts: Growing demand from seniors and public sector investment in support of affordable housing will stimulate further gains in multiple starts in coming years. Higher construction costs associated with single-detached units will also divert home owners into less expensive housing options in the form of townhouse units. Overall, multiples are forecast to increase to 375 units in 2003 before climbing further to 400 units in 2004.

Resales: The seven year rally in MLS® sales will end this year reflecting severe lack of supply and more private activity. With the St. John's region accounting for approximately 95 per cent of provincial sales, declines are only expected to be modest with 2,800 units this year and the same for 2004.

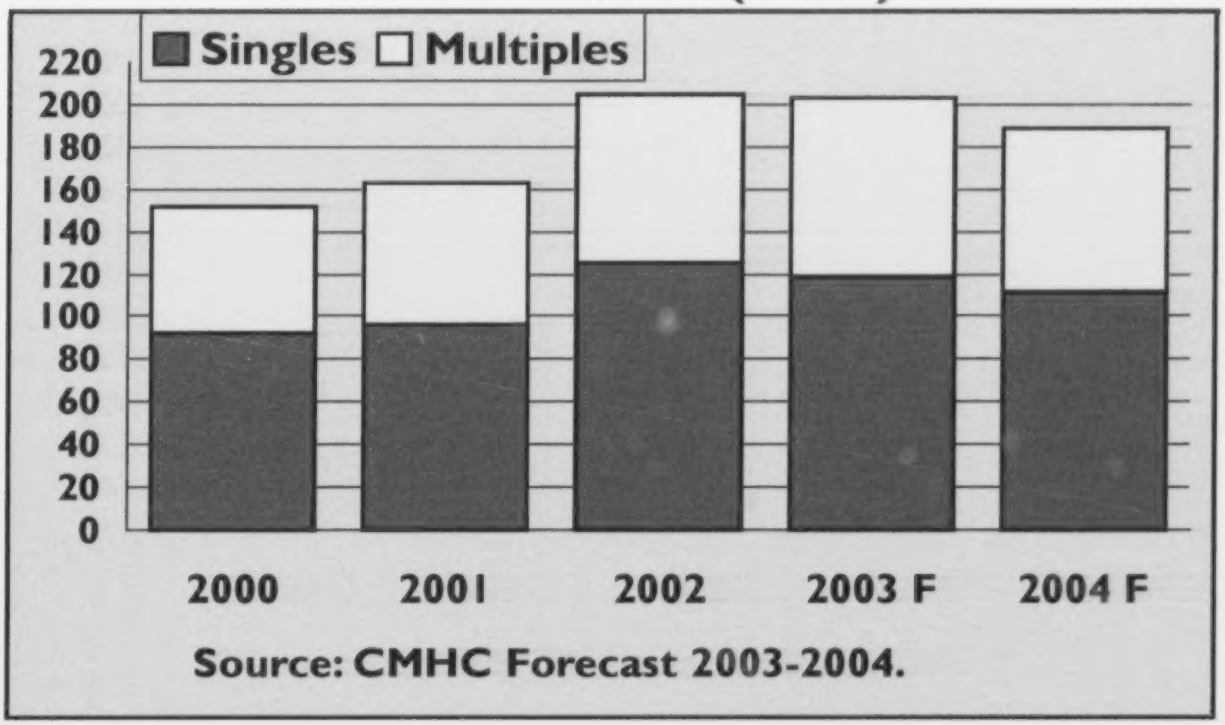
Prices: Tight supplies and rising construction costs will drive up house prices to new records in each of the next two years. Expect the average MLS® price to climb around 5 per cent this year and almost another 4 per cent in 2004.

Provincial Highlight

Earlier this year, CMHC commissioned a survey of the subsidiary/accessory rental apartment market in the St. John's area including the Cities of St. John's and Mount Pearl and the Towns of Conception Bay South and Paradise. The overall vacancy rate was 5.4 per cent which was twice as high as the region's 2.7 per cent vacancy rate in apartment buildings with 3 or more units. The average rent for a two-bedroom accessory suite was $470 compared with the $589 average two-bedroom rent reported in CMHC's October 2002 Rental Market Survey. The total universe of subsidiary/accessory apartments in the St. John's area is estimated at just under 8,400 units, roughly twice the size of the stock of larger apartment buildings. Furthermore, over 96 per cent of the apartments are located in single-detached homes with about 82 per cent classed as basement apartments. With the cost of home ownership continuing to rise, starts of two-apartment homes will increase as the need for the extra income grows. Changing family structures will also stimulate demand for these units as more aging parents opt to live with their loved ones.

Contact: Brian Martin (709) 772-4034, bmartin@cmhc-schl.gc.ca

Canada Starts (000's)



Total Housing Starts
(units and annual percent change)

	1998	1999	2000	2001	2002	2003(F)	2004(F)
NFLD	**1,450**	**1,371**	**1,459**	**1,788**	**2,419**	**2,100**	**2,000**
%	-14.5	-5.4	6.4	22.5	35.3	-13.2	-4.8
PEI	**524**	**616**	**710**	**675**	**775**	**700**	**610**
%	11.5	17.6	15.3	-4.9	14.8	-9.7	-12.9
NS	**3,137**	**4,250**	**4,432**	**4,092**	**4,970**	**4,225**	**4,100**
%	-17.7	35.5	4.3	-7.7	21.5	-15.0	-3.0
NB	**2,447**	**2,776**	**3,079**	**3,462**	**3,862**	**3,850**	**3,600**
%	-9.4	13.4	10.9	12.4	11.6	-0.3	-6.5
QUE	**23,138**	**25,742**	**24,695**	**27,682**	**42,452**	**45,500**	**42,000**
%	-10.7	11.3	-4.1	12.1	53.4	7.2	-7.7
ONT	**53,830**	**67,235**	**71,521**	**73,282**	**83,597**	**81,500**	**74,000**
%	-0.4	24.9	6.4	2.5	14.1	-2.5	-9.2
MAN	**2,895**	**3,133**	**2,560**	**2,963**	**3,617**	**3,200**	**3,200**
%	10.8	8.2	-18.3	15.7	22.1	-11.5	0.0
SASK	**2,965**	**3,089**	**2,513**	**2,381**	**2,963**	**2,925**	**2,900**
%	7.5	4.2	-18.6	-5.3	24.4	-1.3	-0.9
ALTA	**27,122**	**25,447**	**26,266**	**29,174**	**38,754**	**35,100**	**31,200**
%	14.6	-6.2	3.2	11.1	32.8	-9.4	-11.1
BC	**19,931**	**16,309**	**14,418**	**17,234**	**21,625**	**24,050**	**24,600**
%	-32.1	-18.2	-11.6	19.5	25.5	11.2	2.3
Canada	**137,439**	**149,968**	**151,653**	**162,733**	**205,034**	***203,200**	***188,200**
%	-6.5	9.1	1.1	7.3	26.0	-0.9	-7.4

Source: CMHC Forecast 2003-2004.
(F) Forecast.
* Total does not add due to rounding.

Single-detached Starts
(units and annual percent change)

	1998	1999	2000	2001	2002	2003 (F)	2004 (F)
NFLD	**1,086**	**1,233**	**1,315**	**1,598**	**2,092**	**1,725**	**1,600**
%	-11.0	13.5	6.7	21.5	30.9	-17.5	-7.2
PEI	**387**	**472**	**614**	**551**	**582**	**525**	**500**
%	3.5	22.0	30.1	-10.3	5.6	-9.8	-4.8
NS	**2,257**	**3,345**	**2,856**	**2,761**	**3,363**	**2,775**	**2,600**
%	-23.2	48.2	-14.6	-3.3	21.8	-17.5	-6.3
NB	**1,989**	**2,201**	**2,442**	**2,573**	**2,769**	**2,700**	**2,700**
%	-6.4	10.7	10.9	5.4	7.6	-2.5	0.0
QUE	**14,685**	**15,798**	**15,349**	**17,193**	**25,257**	**26,000**	**25,000**
%	-8.6	7.6	-2.8	12.0	46.9	2.9	-3.8
ONT	**32,737**	**39,421**	**41,087**	**39,632**	**51,114**	**45,500**	**43,000**
%	-7.5	20.4	4.2	-3.5	29.0	-11.0	-5.5
MAN	**2,368**	**2,231**	**2,348**	**2,460**	**3,016**	**2,500**	**2,500**
%	17.3	-5.8	5.2	4.8	22.6	-17.1	0.0
SASK	**2,154**	**2,070**	**1,890**	**1,627**	**1,931**	**2,000**	**2,100**
%	10.2	-3.9	-8.7	-13.9	18.7	3.6	5.0
ALTA	**20,077**	**16,688**	**16,835**	**19,769**	**24,520**	**23,500**	**20,000**
%	10.5	-16.9	0.9	17.4	24.0	-4.2	-14.9
BC	**8,691**	**8,731**	**7,448**	**7,862**	**10,730**	**11,750**	**11,850**
%	-32.7	0.5	-14.7	5.6	36.5	9.5	0.9
CAN	**86,431**	**92,190**	**92,184**	**96,026**	**125,374**	***119,000**	***111,900**
%	-7.2	6.7	0.0	4.2	30.6	-5.1	-6.0

Source: CMHC Forecast 2003-2004
(F) Forecast.
* Total does not add due to rounding.

Multiple Starts
(units and annual percent change)

	1998	1999	2000	2001	2002	2003 (F)	2004 (F)
NFLD	**364**	**138**	**144**	**190**	**327**	**375**	**400**
%	-23.5	-62.1	4.3	31.9	72.1	14.7	6.7
PEI	**137**	**144**	**96**	**124**	**193**	**175**	**110**
%	42.7	5.1	-33.3	29.2	55.6	-9.3	-37.1
NS	**880**	**905**	**1,576**	**1,331**	**1,607**	**1,450**	**1,500**
%	0.7	2.8	74.1	-15.5	20.7	-9.8	3.4
NB	**458**	**575**	**637**	**889**	**1,093**	**1,150**	**900**
%	-20.6	25.5	10.8	39.6	22.9	5.2	-21.7
QUE	**8,453**	**9,944**	**9,346**	**10,489**	**17,195**	**19,500**	**17,000**
%	-13.9	17.6	-6.0	12.2	63.9	13.4	-12.8
ONT	**21,093**	**27,814**	**30,434**	**33,650**	**32,483**	**36,000**	**31,000**
%	13.0	31.9	9.4	10.6	-3.5	10.8	-13.9
MAN	**527**	**902**	**212**	**503**	**601**	**700**	**700**
%	-11.1	71.2	-76.5	137.3	19.5	16.5	0.0
SASK	**811**	**1,019**	**623**	**754**	**1,032**	**925**	**800**
%	1.0	25.6	-38.9	21.0	36.9	-10.4	-13.5
ALTA	**7,045**	**8,759**	**9,431**	**9,405**	**14,234**	**11,600**	**11,200**
%	28.1	24.3	7.7	-0.3	51.3	-18.5	-3.4
BC	**11,240**	**7,578**	**6,970**	**9,372**	**10,895**	**12,300**	**12,750**
%	-31.6	-32.6	-8.0	34.5	16.3	12.9	3.7
CAN	**51,008**	**57,778**	**59,469**	**66,707**	**79,660**	***84,200**	***76,400**
%	-5.3	13.3	2.9	12.2	19.4	5.7	-9.3

Source: CMHC Forecast 2003-2004.
(F) Forecast.
* Total does not add due to rounding.

Multiple Housing Starts by Type (Units)

		1998	1999	2000	2001	2002	2003 (F)	2004 (F)
NF	Semi-detached	163	50	44	30	36	50	70
	Row	20	9	23	36	42	60	50
	Apartment	181	79	77	124	249	265	280
	Total	364	138	144	190	327	375	400
PEI	Semi-detached	28	32	46	56	64	40	40
	Row	10	31	21	10	47	40	20
	Apartment	99	81	29	58	82	95	50
	Total	137	144	96	124	193	175	110
NS	Semi-detached	290	218	266	228	253	250	250
	Row	89	29	17	40	144	150	150
	Apartment	501	658	1,293	1,063	1,210	1,050	1,100
	Total	880	905	1,576	1,331	1,607	1,450	1,500
NB	Semi-detached	106	134	113	114	186	150	190
	Row	89	94	26	153	68	150	110
	Apartment	263	347	498	622	839	850	600
	Total	458	575	637	889	1,093	1,150	900
QC	Semi-detached	1,930	1,586	1,291	1,309	1,855	2,275	1700
	Row	1,074	1,184	858	869	964	1,225	900
	Apartment	5,449	7,174	7,197	8,311	14,376	16,000	14,400
	Total	8,453	9,944	9,346	10,489	17,195	19,500	17,000
ON	Semi-detached	4,575	6,445	7,167	7,106	6,886	6,000	5,500
	Row	10,073	10,425	10,846	10,269	11,849	12,000	10,700
	Apartment	6,445	10,944	12,421	16,275	13,748	18,000	14,800
	Total	21,093	27,814	30,434	33,650	32,483	36,000	31,000
MAN	Semi-detached	131	90	52	51	68	75	75
	Row	81	151	63	84	76	85	85
	Apartment	315	661	97	368	457	540	540
	Total	527	902	212	503	601	700	700
SK	Semi-detached	174	155	148	116	142	165	120
	Row	222	104	173	240	456	280	200
	Apartment	415	760	302	398	434	480	480
	Total	811	1,019	623	754	1,032	925	800
ALB	Semi-detached	1,428	1,570	1,518	1,957	2,869	2,100	2,000
	Row	1,512	1,424	1,545	1,779	2,531	1,850	1,800
	Apartment	4,105	5,765	6,368	5,669	8,834	7,650	7,400
	Total	7,045	8,759	9,431	9,405	14,234	11,600	11,200
B.C.	Semi-detached	1,218	816	885	916	1,225	1,400	1,425
	Row	2,117	1,444	1,675	1,686	2,305	2,675	2,800
	Apartment	7,905	5,318	4,410	6,770	7,365	8,225	8,525
	Total	11,240	7,578	6,970	9,372	10,895	12,300	12,750
CAN	Semi-detached	10,043	11,096	11,530	11,883	13,584	12,505	11,370
	Row	15,287	14,895	15,247	15,166	18,482	18,515	16,815
	Apartment	25,678	31,787	32,692	39,658	47,594	53,155	48,175
	Total	51,008	57,778	59,469	66,707	79,660	*84,200	*76,400

Source: CMHC Forecast 2003-2004.
* Total does not add due to rounding.

Total Residential Resales
(units and annual percent change)

	1998	1999	2000	2001	2002	2003 (F)	2004 (F)
NFLD	2,288	2,437	2,593	2,808	3,014	2,800	2,800
%	5.4	6.5	6.4	8.3	7.3	-7.1	0.0
PEI	1,125	1,184	1,206	1,234	1,221	1,200	1,225
%	39.6	5.2	1.9	2.3	-1.1	-1.7	2.1
NS	8,052	8,827	8,577	9,441	10,243	9,200	8,850
%	6.4	9.6	-2.8	10.1	8.5	-10.2	-3.8
NB	3,908	4,376	4,524	4,779	5,089	5,150	5,300
%	-0.8	12.0	3.4	5.6	6.5	1.2	2.9
QUE	45,192	49,792	53,755	61,620	71,001	61,000	60,000
%	4.0	10.2	8.0	14.6	15.2	-14.1	-1.6
ONT	138,463	148,659	147,158	162,318	177,406	170,000	160,000
%	-1.5	7.4	-1.0	10.3	9.3	-4.2	-5.9
MAN	10,762	10,867	10,612	11,440	10,990	10,800	10,500
%	-3.7	1.0	-2.3	7.8	-3.9	-1.7	-2.8
SASK	8,068	8,053	7,552	7,971	7,933	7,500	7,500
%	-3.3	-0.2	-6.2	5.5	-0.5	-5.5	0.0
ALTA	43,383	42,684	43,311	48,989	51,042	49,000	45,000
%	-0.7	-1.6	1.5	13.1	4.2	-4.0	-8.2
BC	52,910	58,084	54,179	69,554	82,737	78,000	77,000
%	-22.4	9.8	-6.7	28.4	19.0	-5.7	-1.3
CAN**	314,151	334,963	333,467	380,154	420,676	*394,700	*378,200
%	-4.8	6.6	-0.4	14.0	10.7	-6.2	-4.2

Source: Canadian Real Estate Association and Real Estate Board of the Fredericton Area Inc.,
CMHC Forecast 2003-2004.
(F) Forecast.
* Total does not add due to rounding. **Canada totals are for 10 provinces

Average Residential Resale Price
(dollars and annual percent change)

	1998	1999	2000	2001	2002	2003 (F)	2004 (F)
NFLD	91,514	94,359	99,525	104,376	113,081	118,500	123,000
%	-0.8	3.1	5.5	4.9	8.3	4.8	3.8
PEI	79,577	82,138	82,884	87,696	95,117	96,000	97,000
%	-7.9	3.2	0.9	5.8	8.5	0.9	1.0
NS	97,015	102,628	109,839	115,485	126,669	135,000	138,000
%	0.3	5.8	7.0	5.1	9.7	6.6	2.2
NB	85,948	88,072	91,624	95,947	100,129	103,000	104,500
%	-1.4	2.5	4.0	4.7	4.4	2.9	1.5
QUE	103,947	107,501	111,260	115,865	129,504	140,000	147,000
%	2.2	3.4	3.5	4.1	11.8	8.1	5.0
ONT	167,115	174,049	183,841	193,357	210,699	228,000	240,000
%	1.7	4.1	5.6	5.2	9.0	8.2	5.3
MAN	86,419	86,423	87,884	93,192	96,639	101,000	102,500
%	1.2	0.0	1.7	6.0	3.7	4.5	1.5
SASK	87,577	91,396	94,047	98,310	101,297	105,000	108,000
%	4.3	4.4	2.9	4.5	3.0	3.7	2.9
ALTA	132,905	139,621	146,258	153,737	170,253	180,000	189,000
%	6.4	5.1	4.8	5.1	10.7	5.7	5.0
BC	212,046	215,283	221,371	222,822	238,877	250,000	258,000
%	-3.8	1.5	2.8	0.7	7.2	4.7	3.2
CAN**	152,393	158,180	164,095	171,916	188,168	*202,000	*210,800
%	-1.5	3.8	3.7	4.8	9.5	7.4	4.4

Source: Canadian Real Estate Association and Real Estate Board of the Fredericton Area Inc.,
CMHC Forecast 2003-2004.
(F) Forecast.
* Total does not add due to rounding. **Canada totals are for 10 provinces

Employment (annual percent change)

	1998	1999	2000	2001	2002	2003 (F)	2004 (F)
NFLD	2.6	5.5	-0.2	3.3	1.2	1.8	1.5
PEI	1.9	1.5	5.3	2.0	1.8	1.7	1.5
NS	3.8	2.4	2.7	0.9	1.2	1.5	0.8
NB	2.3	3.3	1.8	-0.0	3.3	1.1	1.8
QUE	2.7	2.3	2.4	1.1	3.4	1.7	2.3
ONT	3.3	3.6	3.2	1.5	1.8	2.6	2.1
MAN	1.9	1.3	2.2	0.6	1.6	0.7	1.0
SASK	1.3	0.8	1.0	-2.6	2.0	2.3	1.7
ALTA	3.9	2.5	2.3	2.8	2.6	2.9	2.6
BC	0.1	1.9	2.2	-0.3	1.6	2.1	2.4
CAN	2.7	2.8	2.6	1.1	2.2	2.2	2.1

Source: Statistics Canada, CMHC Forecast 2003-2004.
(F) Forecast.

Unemployment Rate (percent)

	1998	1999	2000	2001	2002	2003 (F)	2004 (F)
NFLD	18.0	16.9	16.7	16.1	16.9	17.1	16.2
PEI	13.8	14.4	12.0	11.9	12.1	11.1	10.6
NS	10.5	9.6	9.1	9.7	9.7	9.2	9.4
NB	12.2	10.2	10.0	11.2	10.4	10.4	10.1
QUE	10.3	9.3	8.4	8.7	8.6	8.8	8.8
ONT	7.2	6.3	5.7	6.3	7.1	6.7	6.6
MAN	5.5	5.6	4.9	5.0	5.2	5.0	4.9
SASK	5.7	6.1	5.2	5.8	5.7	5.8	5.7
ALTA	5.6	5.7	5.0	4.6	5.3	5.5	5.4
BC	8.8	8.3	7.2	7.7	8.5	8.2	7.6
CAN	8.3	7.6	6.8	7.2	7.7	7.5	7.4

Source: Statistics Canada, CMHC Forecast 2003-2004.
(F) Forecast.

Real Gross Domestic Product (annual percent change)

	1998	1999	2000	2001	2002	2003 (F)	2004 (F)
NFLD	6.9	6.4	5.0	1.2	13.4	3.6	2.0
PEI	4.0	4.1	3.5	0.3	5.6	2.0	2.5
NS	3.8	5.5	2.4	2.4	3.8	2.1	2.2
NB	3.9	6.1	2.1	0.6	3.3	2.0	2.5
QUE	3.2	5.6	5.0	1.2	4.3	2.0	3.2
ONT	4.9	7.6	4.8	1.2	3.9	2.5	3.0
MAN	4.8	2.2	2.8	1.4	2.4	1.5	2.6
SASK	4.2	0.8	3.3	-2.0	-1.4	2.8	3.0
ALTA	4.6	1.6	5.9	2.9	1.7	3.3	3.5
BC	1.5	2.5	4.3	-0.2	1.8	2.0	2.9
CAN	4.1	5.4	4.5	1.5	3.3	2.1	3.0

Source: Statistics Canada, CMHC Forecast 2003-2004.
(F) Forecast.

Total Net Migration* (persons)

	1998	1999	2000	2001	2002	2003 (F)	2004 (F)
NFLD	-7,824	-3,443	-4,776	-3,456	-2,326	-2,300	-2,000
PEI	118	454	33	633	864	600	650
NS	182	3,534	-1,210	-316	73	0	-350
NB	-2,341	1,190	-1,987	-907	341	700	850
QUE	2,414	9,565	11,426	20,138	15,290	17,500	22,000
ONT	74,340	105,924	139,411	145,573	107,701	68,000	96,000
MAN	-1,665	350	-989	-2,614	-1,081	-1,400	-1,400
SASK	-1,022	-5,844	-7,377	-7,738	-7,599	-6,200	-5,200
ALTA	45,414	25,935	32,638	35,390	29,939	29,200	27,200
BC	10,745	20,339	18,506	31,634	23,498	26,400	30,700
CAN**	120,361	158,004	185,675	218,337	166,700	132,500	168,450

Source: Statistics Canada, CMHC Estimate 2002, CMHC Forecast 2003-2004.
(F) Forecast.
* Sum of interprovincial migration, international migration, and non-permanent residents.
** Excludes Yukon, Northwest Territories, and Nunavut.

Local Market Indicators

Census Metropolitan Area		Total housing starts	Single-detached housing starts	New housing price index, annual % chg.	MLS® sales	MLS® average price	Rental vacancy rate structures of 3 units +
Victoria	2002	1,344	879	3.6	7069	242503	1.5
	2003(F)	1,495	910	na	6800	301000	1.8
	2004(F)	1,650	980	na	6950	309000	1.1
Vancouver	2002	13,197	4980	2.5	34909	301473	1.4
	2003(F)	15,200	6000	4.0	33000	318000	1.9
	2004(F)	16,000	6200	3.5	31800	324000	2.2
Abbotsford	2002	1,038	558	na	3,154	185,900	2.0
	2003(F)	1,110	580	na	3,200	196,000	2.8
	2004(F)	1,190	640	na	3,000	201,000	3.0
Edmonton	2002	12,581	6,860	7.2	15,923	150,165	1.7
	2003(F)	9,750	5,750	4.0	15,250	158,000	2.5
	2004(F)	8,500	5,000	3.5	15,000	166,000	2.5
Calgary	2002	14,339	9,413	5.2	25,054	198,058	2.9
	2003(F)	12,450	8,250	4.5	22,150	209,500	3.5
	2004(F)	12,000	8,000	3.5	22,000	217,000	3.0
Saskatoon	2002	1,489	691	1.5	2,941	118,999	3.7
	2003(F)	1,200	700	2.0	2,800	123,000	2.0
	2004(F)	1,100	700	2.0	2,800	125,000	2.0
Regina	2002	651	504	3.7	2,817	100,751	1.9
	2003(F)	850	550	2.0	2,600	103,000	1.9
	2004(F)	800	600	2.0	2,650	105,000	1.9
Winnipeg	2002	1,821	1,528	2.6	9,881	98,054	1.2
	2003(F)	1,750	1,350	2.5	9,800	103,000	1.0
	2004(F)	1,550	1,200	2.0	9,750	107,000	1.2
Thunder Bay	2002	197	193	1.0	1,599	109,930	4.7
	2003(F)	240	200	1.0	1,647	111,909	3.7
	2004(F)	280	210	1.0	1,696	114,147	3.0
Sudbury	2002	298	292	1.0	2,031	110,826	5.1
	2003(F)	316	310	1.0	2,143	114,151	4.7
	2004(F)	330	320	1.0	2,250	118,146	4.0
Windsor	2002	2,490	1,726	0.5	4,938	149,206	3.9
	2003(F)	2,225	1,625	0.4	4,641	155,000	3.5
	2004(F)	2,130	1,600	0.6	4,675	160,000	2.5
London	2002	2,604	1,969	2.9	8,290	142,745	2.0
	2003(F)	2,820	1,750	4.7	7,850	152,000	2.3
	2004(F)	2,250	1,500	2.5	7,400	155,000	2.6
Kitchener	2002	4,130	3,007	4.1	5,248	177,961	2.3
	2003(F)	3,850	2,750	6.0	4,850	184,500	2.0
	2004(F)	3,800	2,550	6.5	4,650	193,250	1.9
St. Catharines-Niagara	2002	1,317	1,032	1.9	5,950	143,200	2.4
	2003(F)	1,465	1,150	2.5	5,800	148,950	2.1
	2004(F)	1,300	1,010	2.5	5,450	153,500	2.0
Hamilton	2002	3,803	2,259	4.3	12,482	183,442	1.6
	2003(F)	3,550	1,900	5.6	12,000	195,000	1.8
	2004(F)	3,700	1,950	3.8	11,000	203,000	1.8
Toronto	2002	43,805	22,115	3.4	74,759	275,371	2.5
	2003(F)	44,000	19,000	4.0	72,000	295,000	3.5
	2004(F)	37,000	16,000	2.5	65,000	307,000	4.0

Local Market Indicators

Census Metropolitan Area		Total housing starts	Single-detached housing starts	New housing price index annual % chg.	MLS® sales	MLS® average price	Rental vacancy rate Structures of 3 units +
Oshawa	2002	3,490	2,955	na	8,520	204,103	2.3
	2003(F)	3,385	2,800	na	8,100	216,000	2.5
	2004(F)	3,150	2,600	na	8,000	225,000	2.4
Kingston	2002	810	775	na	3,646	144,413	1.0
	2003(F)	750	660	na	4,100	157,500	0.9
	2004(F)	800	690	na	4,350	165,500	0.8
Ottawa	2002	7,796	3,807	7.7	13,231	200,711	1.9
	2003(F)	6,400	3,200	3.5	12,000	217,000	1.6
	2004(F)	5,800	3,200	2.0	12,500	224,000	2.1
Gatineau	2002	2,553	1,574	7.7	3,823	112,755	0.5
	2003(F)	2,450	1,450	13.0	3,450	127,000	0.8
	2004(F)	2,350	1,300	7.0	3,100	127,001	0.9
Montréal	2002	20,554	10,416	5.8	36,295	158,228	0.7
	2003(F)	21,200	9,360	6.0	31,200	181,128	1.0
	2004(F)	19,500	8,280	6.0	29,000	194,510	1.5
Trois-Rivières	2002	619	250	n.a.	923	84,000	3.0
	2003(F)	780	280	n.a.	830	90,000	3.0
	2004(F)	425	250	n.a.	800	95,000	3.0
Sherbrooke	2002	857	416	n.a.	1,229	106,800	1.8
	2003(F)	920	480	n.a.	1,100	117,000	1.4
	2004(F)	780	420	n.a.	1,000	121,000	1.2
Québec	2002	4,282	2,327	4.3	7,241	107,588	0.3
	2003(F)	5,600	2,500	9.5	6,000	118,500	0.5
	2004(F)	5,000	2,400	6.7	5,800	126,000	0.8
Chicoutimi-Jonquière	2002	596	254	n.a.	993	89,530	4.9
	2003(F)	410	270	n.a	1,060	94,250	6.0
	2004(F)	300	235	n.a	915	96,410	5.5
Saint John	2002	397	338	2.1	1,505	103,544	6.3
	2003(F)	540	360	2.1	1,500	106,000	6.5
	2004(F)	525	375	3.0	1,550	108,000	6.0
Halifax	2002	3,310	1,865	3.6	6,687	148,737	2.7
	2003(F)	2,600	1,325	3.4	5,850	158,000	2.0
	2004(F)	2,525	1,200	3.0	5,600	162,000	1.8
St. John's	2002	1,350	1,093	4.3	2,893	114,626	2.7
	2003(F)	1,325	1,000	5.0	2,700	120,000	2.7
	2004(F)	1,375	1,000	5.0	2,700	124,000	2.0
Charlottetown	2002	461	292	0.7	551	115,603	2.3
	2003(F)	415	255	1.0	525	116,500	3.0
	2004(F)	350	250	1.0	525	118,000	3.8
ALL METRO AREAS	2002	152,179	84,368	3.7	304,582		1.7
	2003(F)	149,046	76,715	3.9	284,946		2.0
	2004(F)	136,460	70,660	2.9	271,911		2.3

Source: CMHC, Canadian Real Estate Association, Local real estate boards, Statistics Canada, CMHC Forecast 2003-2004
n.a.: data not available

Major Housing Indicators
Seasonally Adjusted Annual Rates
(levels and quarterly percent change)

	01:Q3	01:Q4	02:Q1	02:Q2	02:Q3	02:Q4	03:Q1	03:Q2
New housing								
Building permits, units, thousands	160.7	183.5	209.2	215.6	218.9	217.4	216.9	216.3
%	-2.5	14.2	14.0	3.1	1.5	-0.7	-0.2	-0.3
Housing starts, total, thousands	157.1	172.3	208.0	197.8	205.5	211.6	222.2	201.7
%	-4.8	9.7	20.7	-4.9	3.9	3.0	5.0	-9.2
Housing starts, singles, thousands	94.6	104.2	124.6	124.3	124.8	129.3	124.2	118.6
%	2.9	10.1	19.6	-0.2	0.4	3.6	-3.9	-4.5
Housing starts, multiples, thousands	62.5	68.1	83.4	73.5	80.7	82.3	98.0	83.1
%	-14.6	9.0	22.5	-11.9	9.8	2.0	19.1	-15.2
Housing completions, total, thousands	46.0	41.0	37.0	39.6	54.7	54.3	40.8	n.a.
%	32.7	-10.8	-9.8	7.0	38.1	-0.7	-24.9	n.a.
New house price index, 1997=100	107.4	108.0	109.2	110.9	111.9	113.4	114.6	n.a.
%	0.7	0.5	1.1	1.6	0.9	1.3	1.1	n.a.
Existing housing								
MLS® resales, units, thousands	382.1	421.3	459.7	411.6	402.1	409.3	413.9	418.8
%	2.3	10.3	9.1	-10.5	-2.3	1.8	1.1	1.2
MLS® average resale price, $C thousands	174.4	175.8	183.1	187.9	189.7	192.6	197.9	203.5
%	2.4	0.8	4.2	2.6	1.0	1.5	2.7	2.8
Mortgage market								
1-year mortgage rate, per cent*	6.03	4.70	4.80	5.50	5.33	5.03	5.05	5.08
5-year mortgage rate, per cent*	7.50	6.87	7.05	7.37	6.85	6.80	6.63	6.20
Residential investment**								
Total, $1997 billions	51.0	53.2	56.8	56.4	58.4	59.9	61.6	n.a.
%	2.9	4.3	6.7	-0.8	3.6	2.5	3.0	n.a.
New, $1997 billions	23.2	24.6	27.2	27.8	29.5	30.6	31.4	n.a.
%	2.3	6.1	10.7	2.0	6.4	3.7	2.5	n.a.
Alterations, $1997 billions	19.9	20.0	20.3	20.4	20.7	21.0	21.8	n.a.
%	2.4	0.7	1.5	0.3	1.3	1.8	3.6	n.a.
Transfer costs, $1997 billions	8.0	8.6	9.2	8.2	8.3	8.2	8.5	n.a.
%	6.3	7.7	7.0	-10.5	0.3	-0.1	3.1	n.a.
Deflator, 1997=100	109.2	110.0	111.9	113.2	113.2	114.8	116.0	n.a.
%	0.2	0.7	1.8	1.1	0.1	1.3	1.1	n.a.

Sources: CMHC, Statistics Canada, Bank of Canada, Canadian Real Estate Association.
n.a. Data not available.
* All indicators are seasonally adjusted, except 1-year and 5-year mortgage rates .
** Residential Investment includes outlays for new permanent housing, conversion costs, cost of alterations and improvements, supplementary costs, and transfer costs.